

FISCAL NOTE
SB 27
SECOND EXTRAORDINARY SESSION

November 5, 1999

SUMMARY OF BILL: Requires that the collection of any tax, imposed or increased by the General Assembly, *which is measured by income earned by or paid to an individual in the form of wages, salaries, commissions, or other form of compensation in exchange for such individual's labor or services*, shall be suspended until such action is approved in a general state-wide election by a majority of voters. Such question shall be included on the ballot of the next regular November general election next following the passage or increase of such a tax. If the majority vote is for the question, the Department of Revenue shall proceed to collect the tax and such tax or increase shall not take effect until January 1 of the year next following such election. This provision shall apply to any tax imposed by the 101st or any subsequent General Assembly.

ESTIMATED FISCAL IMPACT:

State Expenditures – Minimal
Local Govt. Expenditures – Minimal

Other Fiscal Impact - Passage of this bill would require the state to forgo the collection of any future tax, imposed or increased by enactment of the General Assembly, which is measured by income earned by or paid to an individual in exchange for such individual's labor or services, until approved by a majority of voters in a state-wide election.

Election expenses are expected to be minimal, since the question as to whether such a tax should be imposed, increased or collected will be placed on the regular November election ballot.

For information purposes, the following should be noted:

A one percent tax on income is estimated to generate net state revenues in excess of \$650,000,000. Any amounts generated would be dependent on exemption levels and deductions established.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director